

# **Explanation of Governor Kaine's Proposed Budget Amendments**

## **Items 30.10 and 478      Salary compensation for Workers' Compensation Commissioners**

This amendment is a technical correction to include Commissioners of the Workers' Compensation Commission who were inadvertently omitted in the language which provided for the eight percent judicial salary increases. The State Corporation Commissioners were included in the enacted salary increases.

## **Item 59      Implementation of the salary supplement for sheriffs**

This amendment provides authorizing language necessary for the Compensation Board to provide the additional \$1,000 salary supplement to sheriffs serving more than one locality, as funded by the 2007 General Assembly. This amendment is required to implement the salary supplement.

## **Item 59      Modify language regarding enhanced retirement benefits for sheriffs**

This amendment modifies language that mandates the Governor to include funding in future budget recommendations for localities that elected to provide enhanced retirement benefits to deputy sheriffs and jail officers prior to July 1, 2008.

## **Item 77      Correct the health insurance renewal cost reporting date**

This language provides a technical correction to change the date that the Department of Human Resource Management must report on the cost of state employee health insurance plan annual renewal from October 1 to October 15. This change will allow the health plan provider and the actuary utilized by the department to develop a more accurate estimate of potential costs.

## **Item 302      Distribution of pediatric rate increase**

This amendment ensures that pediatricians, especially in rural areas and those providing preventive services to children, receive a 10 percent increase effective July 1, 2007, as intended in the enrolled budget bill. Because of a recent update for Medicaid that reallocates relative value among procedure codes with a bias toward specialty care, the codes for pediatric preventive services will experience a decrease even with the 10 percent included in the enrolled budget bill. This amendment will allow the methodology to increase rates by 10 percent for the preventive codes. The action will help ensure access to important services for children covered under Medicaid and FAMIS.

**Item 302      Emergency regulatory authority to implement federal “Money Follows the Person” grant**

The enrolled budget bill allows the Department of Medical Assistance Services to continue to pursue the “Money Follows the Person” grant. Virginia expects to receive an award later this spring. This amendment provides the agency specific authority to initiate the regulatory changes to modify the appropriate Medicaid waivers if Virginia is awarded a grant. The agency will not incur any fiscal impact in FY 2008 and anticipates minimal cost after the FY 2009 start up. This action is necessary to allow the agency to implement the grant in a timely manner and to maximize the enhanced federal funding the grant would provide.

**Item 341      Extend timeframe for child care programs to meet training requirements**

This amendment modifies existing budget language to extend the deadline for regulated child day programs to meet medication administration training requirements pursuant to the standards for licensed day care centers. Changing the date from June 1, 2007, to January 1, 2008, will allow sufficient time for most providers to become compliant without having to request extensions. In addition, this amendment will correct the terminology to "regulated child day program" to refer to the affected providers.

**Item 435      Provide discretion for abusive driver program administrative cost**

This amendment will permit the Governor to authorize sufficient administrative costs to implement the abusive driver program if vendor bids to operate the program exceed 13 percent of the revenues collected.

**Item 454      Highway maintenance funding to localities hosting port facilities**

This amendment clarifies the disbursement formula to be used to distribute additional road maintenance funding provided to localities which host Virginia Port Authority facilities. The road maintenance funds are to be transferred to the localities by the Commonwealth Transportation Board based on the amount of cargo being shipped through each facility.

**Item 461      Clarify faculty compensation**

Funding was provided in the 2007 session to increase from three to four percent a salary increase for all state employees, including faculty at the institutions of higher education. The enrolled bill did not include language in Central Appropriations to authorize the additional one percent salary for faculty. This amendment clarifies that faculty are to receive an additional one percent salary increase. In addition, the amendment clarifies that nursing faculty are to receive, on average, the same four percent salary increase as all other faculty.

This is in addition to the ten percent salary increase provided to all nursing faculty at those institutions of higher education with nursing programs.

**Item 462**      **Provide funding for implementation of SB 1071 and HB 2749**

This amendment provides \$472,069 to cover the fiscal impact of HB 2749 and SB 1071, which were passed by the 2007 General Assembly but not funded in the budget bill. These two identical bills expand the reporting requirements of persons required to register with the Sex Offender Registry, as well as expand sentences for child pornography offenses. The funding will cover the costs of additional positions at the Department of State Police which will be needed to comply with the requirements of this legislation, as well as the balance of funding required to address the provisions of § 30-19.1:4 of the Code based on the Virginia Criminal Sentencing Commission's projected need for additional offenders to be housed in state correctional facilities.

**Item 463.1**      **Clarify higher education tuition incentive fund**

The enrolled budget includes \$7.2 million for a Tuition Incentive Fund, accessible if institutions limit tuition, education and general fee increases to six percent. This amendment clarifies that institutions of higher education can exceed the six percent tuition limit if the additional revenue is used solely to increase student financial aid for in-state undergraduates.

**Item 473**      **Remove conflicting language relating to State Police Officers Retirement System**

This amendment removes language that conflicts with enrolled Senate Bill 1166 which increases the multiplier for the State Police Officers Retirement System (SPORS) to 1.85 percent from 1.70 percent.

**Item C-61.95**      **Designates James Madison University capital project East Campus Property as a 9(d) bond project.**

This amendment changes the source of funding for a James Madison University capital project, "Acquisition: East Campus Property" from Higher Education operating funds to 9(d) bond proceeds. This project was added by the General Assembly but was inadvertently appropriated as a higher education operating project. This amendment also allows the Director of the Department of Planning and Budget to authorize the use of auxiliary fund balances to reduce the amount to be debt financed. There is a companion amendment adding this project to the 9(d) bond table in Item C-328.

**Item C-326.10 Provide capital lease authorization for various agencies**

This language amendment grants authority for the Department of Health, the Department of Rehabilitative Services, the Department of Environmental Quality, the Department of Housing and Community Development, and the Department of Corrections to renew or replace existing capital leases that will expire during the current biennium.

**Item C-328 Corrects 9(d) bond table in Item C-328**

This language amendment adds the “Acquisition: East Campus Property” capital project for James Madison University in conjunction with a companion amendment that transfers funding from higher education operating to 9(d) bond proceeds. This project was added by the General Assembly but was unintentionally appropriated with the wrong fund source.

In addition, the amendment revises two entries in Item C-328 to correct an Item number reference for a new project at James Madison University and a project code reference for an existing project at Virginia Commonwealth University.